

## HB 1887 -- Sheltered Workshop Boards

Sponsor: Grisamore

This bill prohibits a sheltered workshop's board of directors from holding in reserve any general operating moneys in excess of one year's estimated annual general operating costs of the workshop. For an existing sheltered workshop, the estimated annual general operating costs will be the average annual operating costs of operation for the immediately three preceding fiscal years plus no more than an additional 5%. For a new sheltered workshop, the amount will be the current fiscal year amount budgeted for general operating costs plus no more than an additional 5%. Capital improvement projects and other one-time or special expenditures are not subject to these limitations, and moneys for these projects and expenditures must be held in a separate account and not commingled with general operating moneys held in reserve.

Any general operating moneys not expended at the end of the fiscal year must be refunded to the taxpayers of the district unless those funds are deposited in the capital improvements projects or special expenditures account for a specific project or expenditure that has been approved by the board and meets specified guidelines. The board cannot hold more than 10% of the current fiscal year's budget for general operating costs in the capital improvements or special expenditures account if no specific project or expenditure has been approved. Any moneys in reserve in excess of these limits must be expended by the board within three years or refunded to the taxpayers of the district.

Beginning February 1, 2013, and by every February 1 thereafter, every board of directors of a sheltered workshop must provide and the department must collect the following annual financial data of each workshop operating in the state as of December 31 of the immediately preceding calendar year:

- (a) The amount of reserves held by the board;
- (b) Any general operating moneys in excess of one year's estimated annual general operating costs of the sheltered workshop;
- (c) The annual operating costs of operation for the immediately three preceding fiscal years;
- (d) The current amount budgeted for general operating costs; and
- (e) Any capital improvements projects and other one-time or special expenditures.

The department must compile the information and submit an annual report to the General Assembly by March 1. Any workshop which fails to provide the required financial data will be subject to an administrative penalty of \$500 per day for each day after February 1 for which the workshop fails to provide the required information.